

110TH CONGRESS
1ST SESSION

H. R. 2720

To amend the Farm Security and Rural Investment Act of 2002 to reform commodity programs and to increase nutrition, conservation, and energy programs of the Department of Agriculture, to reduce the national budget deficit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2007

Mr. KIND (for himself, Mr. FLAKE, Mr. CROWLEY, Mr. REICHERT, Ms. BERKLEY, Mr. BLUMENAUER, Mr. KIRK, Mr. McDERMOTT, Mr. PETRI, Mr. RYAN of Wisconsin, Mr. SHAYS, and Mr. SMITH of Washington) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Education and Labor, Foreign Affairs, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Farm Security and Rural Investment Act of 2002 to reform commodity programs and to increase nutrition, conservation, and energy programs of the Department of Agriculture, to reduce the national budget deficit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Food and Agriculture Risk Management for the 21st
 4 Century Act of 2007” or the “FARM 21 Act of 2007”.

5 (b) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—RISK MANAGEMENT ACCOUNTS

Sec. 101. Adjusted gross income limitation.
 Sec. 102. Risk management accounts.
 Sec. 103. Direct payments.
 Sec. 104. Counter-cyclical payments.
 Sec. 105. Dairy.
 Sec. 106. Repeal of other commodity programs.
 Sec. 107. Recourse loan program.
 Sec. 108. Crop insurance reimbursement rate.

TITLE II—REALLOCATIONS

Subtitle A—Conservation

Sec. 201. Conservation.

Subtitle B—Healthy Foods

Sec. 221. Domestic Nutrition and Health.

Subtitle C—McGovern-Dole

Sec. 231. Reauthorization of McGovern-Dole International Food for Education
 and Child Nutrition Program.

Subtitle D—Renewable Energy

Sec. 241. Energy.

Subtitle E—Rural Development

Sec. 251. Rural development.
 Sec. 252. Rural entrepreneur and microenterprise assistance program.
 Sec. 253. Enhancing rural infrastructure.

Subtitle F—Nutrition

Sec. 261. Exclusion of combat-related military pay from countable income.
 Sec. 262. Strengthening the food purchasing power of low-income Americans.
 Sec. 263. Supporting working families with child care expenses.
 Sec. 264. Increasing the minimum benefit.
 Sec. 265. Exclusion of retirement accounts from countable financial resources.
 Sec. 266. Facilitating simplified reporting.

Sec. 267. Reauthorization of food stamp program and food distribution program on Indian reservations, and the commodity supplemental food program.

Sec. 268. Outreach grants.

Sec. 269. Funds to States for improving and innovating program access and integrity.

Sec. 270. Supporting State efforts during natural disasters.

Sec. 271. Community food grants.

Sec. 272. Expanding the use of food stamps at farmers' markets.

Sec. 273. Commodities for the emergency food assistance program.

Sec. 274. Community food assistance and food bank infrastructure grants under the Food Stamp Act.

Sec. 275. Food for the hungry transportation grant program.

Subtitle G—Deficit Reduction

Sec. 281. Deficit reduction.

1 **TITLE I—RISK MANAGEMENT** 2 **ACCOUNTS**

3 **SEC. 101. ADJUSTED GROSS INCOME LIMITATION.**

4 Section 1001D(b) of the Farm Security Act of 1985
5 is amended by adding at the end the following new para-
6 graph:

7 “(3) FURTHER LIMITATIONS ON PAYMENTS.—

8 After 2007, notwithstanding any other provision of
9 law, an individual or entity shall not be eligible to
10 receive any direct, counter-cyclical or transition pay-
11 ment under any provision of law administered by the
12 Department of Agriculture if the average adjusted
13 gross income of the individual or entity exceeds
14 \$200,000. For purposes of this paragraph,”.

1 **SEC. 102. RISK MANAGEMENT ACCOUNTS.**

2 (a) ACCOUNTS REQUIRED.—The Secretary shall offer
3 to enter into a risk management account contract with an
4 operator of a farm.

5 (b) OPERATOR.—For the purposes of this section, an
6 operator means an individual or entity that—

7 (1) either—

8 (A) during each of the preceding 5 taxable
9 years, filed a schedule F of the Federal income
10 tax returns or a comparable tax form related to
11 the agricultural operations of the individual or
12 entity, as approved by the Secretary; or

13 (B) is a beginning farmer or rancher, as
14 determined by the Secretary; and

15 (2) earned—

16 (A) at least \$10,000 in average adjusted
17 gross revenue for the preceding 5 taxable years;

18 (B) less than such amount, but is a limited
19 resource farmer or rancher, as determined by
20 the Secretary; or

21 (C) at least \$10,000 in estimated income
22 from all agricultural operations for the applica-
23 ble year, as determined by the Secretary, and is
24 a beginning farmer or rancher under paragraph
25 (1)(B).

1 (c) FARM.—For the purposes of this section, a farm
2 is land used for production of crops, livestock and other
3 agricultural products of which the operator has more than
4 de-minimis control or ownership.

5 (d) ADJUSTED GROSS REVENUE.—In this section,
6 the term “adjusted gross revenue” means the adjusted
7 gross income as determined by the Secretary, from the
8 sale of agricultural crops grown, dairy products produced,
9 and livestock raised as part of an agricultural operation—

10 (1) by taking into account gross receipts from
11 the sale of agricultural crops, eligible livestock and
12 dairy products on the agricultural operation, includ-
13 ing insurance indemnities;

14 (2) by including all farm payments paid by the
15 Secretary or any other government entity for the ag-
16 ricultural operation related to agricultural crops, eli-
17 gible livestock and dairy products;

18 (3) by deducting the cost or basis of livestock
19 or other items purchased for resale, such as feeder
20 livestock, on the agricultural operation;

21 (4) by excluding revenues that do not arise
22 from the sale of crops grown, dairy products pro-
23 duced or livestock raised on an agricultural oper-
24 ation, such as revenues associated with the pack-
25 aging, merchandising, marketing and reprocessing of

1 the agricultural product beyond that typically under-
2 taken by a producer of the crop, dairy products or
3 livestock as determined by the Secretary;

4 (5) by using with such adjustments, additions
5 and additional documentation as the Secretary de-
6 termines is appropriate, information presented on—

7 (A) a schedule F of the Federal income tax
8 returns of the producer; or

9 (B) a comparable tax form related to the
10 agricultural operations of the producer, as ap-
11 proved by the Secretary.

12 (e) AVERAGE ADJUSTED GROSS REVENUE.—In this
13 section, the term “average adjusted gross revenue”
14 means—

15 (1) the rolling average of the adjusted gross
16 revenue of a producer for each of the preceding 5
17 taxable years; or

18 (2) in the case of a beginning farmer or rancher
19 or other agricultural operation that does not have
20 adjusted gross revenue for each of the preceding 5
21 taxable years, the estimated income of the agricul-
22 tural operation for the applicable year, as deter-
23 mined by the Secretary.

24 (f) ESTABLISHMENT.—Any operator of a farm may
25 establish a risk management account in the name of the

1 farm to be jointly administered by the Secretary and the
2 Federal Retirement Thrift Investment Board.

3 (g) VOLUNTARY CONTRIBUTIONS.—An operator of a
4 farm may make voluntary contributions up to the limits
5 specified in section 219(b)(5)(A) of the Internal Revenue
6 Code of 1986.

7 (h) WITHDRAWALS.—An operator who establishes an
8 account may withdraw funds under following conditions
9 and amounts:

10 (1) In a year when the farm's adjusted gross
11 revenue is less than 95 percent of the five-year aver-
12 age adjusted gross revenue, the producer may with-
13 draw funds up to the amount of the difference.

14 (2) Up to 10 percent of the account balance for
15 investments in rural enterprises that contribute to
16 the agricultural economy, as defined by the Sec-
17 retary, no more than once in any five-year period.

18 (3) When withdrawals are necessary to protect
19 the solvency of the farm, as determined by the Sec-
20 retary.

21 (4) To purchase revenue or crop insurance.

22 (i) LIMITATION.—Payments to an account created
23 under this section shall be made in the interest of the
24 farm.

1 (j) TAX TREATMENT.—Contributions shall not be
2 subject to Federal income tax, except that withdrawals will
3 be counted toward the gross income of the producer in
4 the year withdrawn.

5 (k) VIOLATIONS.—If an operator fails to meet the
6 conditions established for a contribution to an account, the
7 operator shall refund to the Secretary an amount equal
8 to the contribution in any fiscal year in which a violation
9 occurred.

10 (l) SALE OR TRANSFER.—If an operator sells or
11 transfers a farm, the operator may elect to—

12 (1) transfer all or a portion of the account to
13 another farm in which the operator has a controlling
14 ownership interest or acquires a controlling owner-
15 ship interest within two years of the sale or transfer
16 of the original agricultural operation;

17 (2) transfer the account to the purchaser of the
18 farm if the operator is not already a holder of a ac-
19 count; or

20 (3) rollover the account into an Individual Re-
21 tirement Account pursuant to section 408 of the In-
22 ternal Revenue Code of 1986 of the operator, if the
23 operator is a natural person, or, if the operator is
24 an entity, into the accounts of any natural person

1 who has a substantial beneficial interest in the farm
2 that is the subject of the account.

3 (m) CONSERVATION COMPLIANCE.—Any operator
4 and any holder of a beneficial interest in a farm subject
5 to an account shall—

6 (1) comply with applicable conservation require-
7 ments under subtitle B of title XII of the Food Se-
8 curity Act of 1985 (16 U.S.C. 3811 et seq.); and

9 (2) comply with applicable wetland conservation
10 requirements under subtitle C of title XII of that
11 Act (16 U.S.C. 3821 et seq.).

12 **SEC. 103. DIRECT PAYMENTS.**

13 (a) IN GENERAL.—Section 1103 of the Farm Secu-
14 rity and Rural Investment Act of 2002 (7 U.S.C. 7913)
15 is amended by striking “2007” each place it appears and
16 inserting “2012”.

17 (b) REDUCTION IN DIRECT PAYMENT AMOUNTS.—
18 Notwithstanding subsection (c) of section 1103 of the
19 Farm Security and Rural Investment Act of 2002, pro-
20 ducers otherwise eligible for direct payments under such
21 section shall receive—

22 (1) 65 percent of their direct payment for fiscal
23 year 2008;

24 (2) 45 percent of their direct payment for fiscal
25 year 2009;

1 (3) 25 percent of their direct payment for fiscal
2 year 2010;

3 (4) 20 percent of their direct payment for fiscal
4 year 2011; and

5 (5) 10 percent of their direct payment for fiscal
6 years 2012 through 2014.

7 (c) PAYMENT LIMIT.—Section 1001(b)(1) of the
8 Food Security of 1985 (7 U.S.C. 1308) is amended by
9 striking “\$40,000” and insert “\$30,000”.

10 (d) PLANTING RESTRICTIONS.—Section
11 1105(a)(1)(C) and section 1106 of the Farm Security and
12 Rural Investment Act of 2002 (7 U.S.C. 7915(a)(1)(C),
13 7916) are repealed.

14 (e) ADDITIONAL ELIGIBILITY REQUIREMENT.—Sec-
15 tion 1103(a) of the Farm Security and Rural Investment
16 Act of 2002 (7 U.S.C. 7913(a)) is amended by inserting
17 at the end the following new sentence: “To be eligible to
18 receive a direct payment under this section, a producer
19 must be actively engaged in agriculture on the land for
20 which the direct payment is paid, as determined by the
21 Secretary.”.

22 (f) CONTRIBUTION TO ACCOUNT.—Section 1103 of
23 the Farm Security and Rural Investment Act of 2002 is
24 amended by adding at the end the following new sub-
25 section:

1 “(d) CONTRIBUTIONS TO RISK MANAGEMENT AC-
2 COUNT.—50 percent of the direct payments of a producer
3 in fiscal years 2008 and 2009 shall be deposited in the
4 risk management account of the producer, 75 percent of
5 the direct payments of a producer for fiscal years 2010
6 and 2011 shall be deposited in the risk management ac-
7 count of the producer, and 100 percent of the direct pay-
8 ments of a producer for fiscal year 2012 shall be deposited
9 in the risk management account of the producer.”.

10 (g) STEWARDSHIP.—Section 1103 of Farm Security
11 and Rural Investment Act of 2002 is amended by inserting
12 after subsection (d), as added by subsection (f), the fol-
13 lowing new subsection:

14 “(e) ENVIRONMENTAL STEWARDSHIP.—Direct pay-
15 ments shall be linked to environmental stewardship as fol-
16 lows:

17 “(1) The Secretary, acting through the Chief of
18 the Natural Resources Conservation Service, shall
19 develop an index of environmental performance, to
20 be linked to management intensity and significant
21 resource concerns, for the each of the crops provided
22 a direct payment under this section.

23 “(2) To be eligible for a direct payment linked
24 to stewardship, an individual or entity shall develop
25 a plan that describes the level of stewardship to be

1 achieved and the conservation practices or measures
2 to be implemented. The individual or entity shall
3 certify environmental performance through a quali-
4 fied third-party.

5 “(3) Subject to the percentage restrictions on
6 direct payment amounts imposed by section 102(b)
7 of the Food and Agriculture Risk Management for
8 the 21st Century Act of 2007, 85 percent of the
9 available direct payment shall be provided so long as
10 the agricultural producer meets the conservation re-
11 quirements of subtitles B and C of title XII of the
12 Food Security Act of 1985 (16 U.S.C. 3811 et seq.).

13 “(4) Subject to the percentage restrictions on
14 direct payment amounts imposed by section 102(b)
15 of the Food and Agriculture Risk Management for
16 the 21st Century Act of 2007, 90 percent of the
17 available direct payment shall be provided so long as
18 the agricultural producers meet the first level of en-
19 vironmental performance, as determined by the
20 index of environmental performance.

21 “(5) Subject to the percentage restrictions on
22 direct payment amounts imposed by section 102(b)
23 of the Food and Agriculture Risk Management for
24 the 21st Century Act of 2007, 95 percent of the
25 available direct payment shall be provided so long as

1 the agricultural producers meet the second level of
2 environmental performance, as determined by the
3 index of environmental performance.

4 “(6) Subject to the percentage restrictions on
5 direct payment amounts imposed by section 102(b)
6 of the Food and Agriculture Risk Management for
7 the 21st Century Act of 2007, 100 percent of the
8 available direct payment shall be provided so long as
9 the agricultural producers meet the third level of en-
10 vironmental performance, as determined by the
11 index of environmental performance.”.

12 **SEC. 104. COUNTER-CYCLICAL PAYMENTS.**

13 (a) ONE-YEAR EXTENSION.—Section 1104 of the
14 Farm Security and Rural Investment Act of 2002 is
15 amended by striking “2007” each place it appears and
16 inserting “2008”.

17 (b) RELATION TO OTHER CHANGES MADE BY THIS
18 ACT.—Counter-cyclical payments described in section
19 1104 of the Farm Security and Rural Investment Act of
20 2002 for the 2007 and 2008 crop years are to be cal-
21 culated under such section without regard to the changes
22 made by section 103 with regard to direct payments or
23 the repeal of other commodity programs under section
24 106. Under no circumstances may counter-cyclical pay-
25 ments be made for the 2011 or subsequent crop years.

1 **SEC. 105. DAIRY.**

2 (a) MILK PRICE SUPPORT PROGRAM.—Section 1501
3 of the Farm Security and Rural Investment Act of 2002
4 (7 U.S.C. 7981) is repealed.

5 (b) MILC PROGRAM.—Section 1502 of the Farm Se-
6 curity and Rural Investment Act of 2002 (7 U.S.C. 7982)
7 is amended to read as follows:

8 **“SEC. 1502. SUPPORT FOR MILK PRODUCERS.**

9 “Dairy operators shall receive equal annual payments
10 in each of the fiscal years 2008 through 2012, cumula-
11 tively equal to 90 percent of the milk income loss contract
12 payments the operator received in fiscal years 2003
13 through 2007. One half of the annual payment shall be
14 immediately available to the producer, and one half of the
15 payment shall be placed in the risk management account
16 of the operator”.

17 **SEC. 106. REPEAL OF OTHER COMMODITY PROGRAMS.**

18 (a) REPEAL OF COMMODITY PROGRAMS.—Except as
19 otherwise provided by this Act, all commodity programs
20 set forth in subtitles A, B, C, and D of title I of the Farm
21 Security and Rural Investment Act of 2002 and sections
22 1501 and 1502 of such Act are repealed.

23 (b) REPEAL OF SUSPENDED AUTHORITIES.—The
24 provisions of law that were suspended by section 1602 of
25 the Farm Security and Rural Investment Act of 2002 pur-
26 suant to paragraphs (1), (2), (3), and (4) of subsection

1 (a), paragraphs (1) through (12) of subsection (b), and
 2 subsection (c) are repealed.

3 (c) REPEAL OF SUGAR TARIFF RATE QUOTA.—The
 4 existing sugar tariff rate quota is repealed.

5 **SEC. 107. RECOURSE LOAN PROGRAM.**

6 The Secretary of Agriculture shall establish a re-
 7 course loan program for all commodities, including sugar,
 8 for which marketing loans were available under the terms
 9 of title I of the Farm Security and Rural Investment Act
 10 of 2002 at a rate of interest determined by the Secretary.

11 **SEC. 108. CROP INSURANCE REIMBURSEMENT RATE.**

12 Section 508(k)(4)(A)(ii) of the Federal Crop Insur-
 13 ance Act (7 U.S.C. 1508(k)(4)(A)(ii)) is amended by
 14 striking “24.5” and inserting “23.2”.

15 **TITLE II—REALLOCATIONS**

16 **Subtitle A—Conservation**

17 **SEC. 201. CONSERVATION.**

18 (a) EXTENSION OF ENVIRONMENTAL QUALITY IN-
 19 CENTIVES PROGRAM.—Section 1241(a) of the Food Secu-
 20 rity Act of 1985 (16 U.S.C. 3841(a)) is amended by strik-
 21 ing paragraph (6) and inserting the following new para-
 22 graph:

23 “(6) The environmental quality incentives pro-
 24 gram under chapter 4, using, to the maximum ex-
 25 tent practicable—

1 “(A) \$1,550,000,000 in fiscal year 2008;
 2 “(B) \$1,700,000,000 in fiscal year 2009;
 3 “(C) \$1,800,000,000 in fiscal year 2010;
 4 “(D) \$1,900,000,000 in fiscal year 2011;
 5 and
 6 “(E) \$2,000,000,000 in fiscal year 2012.”.

7 (b) EXTENSION OF CONSERVATION INNOVATION
 8 GRANTS PROGRAM.—Section 1240H of such Act (16
 9 U.S.C. 3839aa–8) is amended by adding at the end the
 10 following:

11 “(d) FUNDING.—Of the funds made available under
 12 section 1241(a)(6), the Secretary shall use funds of the
 13 Commodity Credit Corporation to carry out this section
 14 in the following amounts:

15 “(1) \$40,000,000 for fiscal year 2008.
 16 “(2) \$50,000,000 for fiscal year 2009.
 17 “(3) \$60,000,000 for fiscal year 2010.
 18 “(4) \$75,000,000 for each of fiscal years 2011
 19 through 2012.”.

20 (c) EXTENSION OF WETLANDS RESERVE PRO-
 21 GRAM.—

22 (1) FUNDING EXTENSION.—Section 1241(a)(2)
 23 of the Food Security Act of 1985 (16 U.S.C.
 24 3841(a)(2)) is amended by striking “The” and in-

1 serting “For each of fiscal years 2002 through
2 2012, the”.

3 (2) CONFORMING AMENDMENT.—Section
4 1237(c) of such Act (16 U.S.C. 3837(c)) is amended
5 by striking “2007” and inserting “2012”.

6 (d) MAXIMUM AND YEARLY ENROLLMENT.—Section
7 1237(b)(1) of the Food Security Act of 1985 (16 U.S.C.
8 3837(b)(1)) is amended—

9 (1) by striking “2,275,000 acres” and inserting
10 “3,350,000 acres”; and

11 (2) by striking “250,000” and inserting
12 “250,000 acres in 2008 and 2009, 275,000 acres in
13 2010 and 2011, and 300,000 acres in 2012.”.

14 (e) EXTENSION OF GRASSLANDS RESERVE PRO-
15 GRAM.—

16 (1) EXTENSION AND FUNDING.—Section
17 1241(a) of the Food Security Act of 1985 (16
18 U.S.C. 3841(a)) is amended by striking paragraph
19 (5) and inserting the following new paragraph:

20 “(5) For each of fiscal years 2002 through
21 2012, the grassland reserve program under sub-
22 chapter C of chapter 2.”.

23 (2) ENROLLMENT GOALS.—Section 1238N(b)
24 of such Act (16 U.S.C. 3838N(b)) is amended in
25 paragraph (1), by striking “2,000,000 acres” and

1 inserting “500,000 acres in each of fiscal years 2008
2 through 2012”.

3 (f) EXTENSION OF WILDLIFE HABITAT INCENTIVES
4 PROGRAM.—Section 1241(a)(7) of the Food Security Act
5 of 1985 (16 U.S.C. 3841(a)(7)) is amended by striking
6 subparagraphs (A) through (D) and inserting the fol-
7 lowing new subparagraphs:

8 “(A) \$80,000,000 in fiscal years 2008 and
9 2009;

10 “(B) \$100,000,000 in fiscal years 2010
11 and 2011; and

12 “(C) \$150,000,000 in fiscal year 2012.”.

13 (g) EXTENSION OF FARM AND RANCHLAND PROTEC-
14 TION PROGRAM.—Paragraph (4) of subsection (a) of sec-
15 tion 1241 of the Food Security Act of 1985 (16 U.S.C.
16 3841) is amended to read as follows:

17 “(4) The farmland protection program under
18 subchapter B of chapter 2, using \$100,000,000 in
19 each of fiscal years 2008 through 2012.”.

20 (h) HEALTHY FORESTS RESERVE PROGRAM.—Sec-
21 tion 508 of the Food Security Act of 1985 (16 U.S.C.
22 6578) is amended to read as follows:

1 **“SEC. 508 FUNDING FOR HEALTHY FORESTS RESERVE PRO-**
 2 **GRAM.**

3 “For each of fiscal years 2008 through 2012, the
 4 Secretary shall use the funds, facilities, and authorities of
 5 the Commodity Credit Corporation to carry out the
 6 healthy forests reserve program, including the provision
 7 of technical assistance under the program, in an amount
 8 not to exceed \$50,000,000 each fiscal year.”.

9 **Subtitle B—Healthy Foods**

10 **SEC. 221. DOMESTIC NUTRITION AND HEALTH.**

11 (a) FRUIT AND VEGETABLE SNACK PROGRAM.—Sec-
 12 tion 18 of the Richard B. Russell National School Lunch
 13 Act (42 U.S.C. 1769) is amended in subsection (g)—

14 (1) in paragraph (1)—

15 (A) in the matter preceding subparagraph
 16 (A), by striking “July 2004” and inserting
 17 “July 2007”; and

18 (B) by striking subparagraphs (A) and (B)
 19 and inserting the following:

20 “(A) 100 elementary or secondary schools
 21 in each State;

22 “(B) additional elementary or secondary
 23 schools in each State in proportion to the stu-
 24 dent population of the State; and”;

25 (2) in paragraph (3)(A), by striking “paragraph
 26 (1)(B)” and inserting “paragraph (1)”;

1 (3) in paragraph (5), in each of subparagraphs
 2 (A) and (B), by striking “2008” and inserting
 3 “2011”; and

4 (4) in paragraph (6)(B)(i)—

5 (A) by striking “October 1, 2004,” and in-
 6 serting “October 1, 2007,”; and

7 (B) by striking “\$9,000,000” and insert-
 8 ing “\$9,000,000 in fiscal year 2008,
 9 \$12,000,000 in fiscal year 2009, and
 10 \$75,000,000 in each of fiscal years 2010
 11 through 2012”.

12 (b) FARM TO SCHOOL PROGRAM.—Section 18 of the
 13 Richard B. Russell National School Lunch Act (42 U.S.C.
 14 1769) is amended in subsection (i)(2) by striking “such
 15 sums as are necessary” and all that follows through the
 16 period at the end and inserting “to carry out this sub-
 17 section \$5,000,000 for each of fiscal years 2008 and 2009,
 18 \$8,000,000 for each of fiscal years 2010 through 2012.”.

19 (c) FARMERS MARKET PROMOTION PROGRAM.—Sec-
 20 tion 6 of the Farmer-to-Consumer Direct Marketing Act
 21 of 1976 (7 U.S.C. 3005) is amended by striking sub-
 22 sections (d) and (e) and inserting the following:

23 “(d) CRITERIA AND GUIDELINES.—

24 “(1) IN GENERAL.—The Secretary shall estab-
 25 lish criteria and guidelines for the submission, eval-

1 uation, and funding of proposed projects under the
2 Program.

3 “(2) PRIORITY.—The Secretary shall prioritize
4 the funding of projects that will support, encourage,
5 or promote the transition to organic and other envi-
6 ronmentally beneficial forms of agricultural produc-
7 tion.

8 “(e) FUNDING.—Of the funds of the Commodity
9 Credit Corporation, the Secretary shall use \$25,000,000
10 for each of the fiscal years 2008 through 2012 to carry
11 out this section, of which \$5,000,000 shall be used to sup-
12 port the use of electronic benefit transfers at farmers’
13 markets.”.

14 (d) FRUIT AND VEGETABLE NUTRITION PROMOTION
15 PROGRAM.—

16 (1) IN GENERAL.—The Secretary of Agri-
17 culture, acting through the Administrator of the Ag-
18 ricultural Marketing Service, shall establish and
19 carry out a program to provide assistance to eligible
20 trade organizations described in paragraph (3) to in-
21 crease the consumption of fruits and vegetables in
22 the United States to meet Federal health guidelines.

23 (2) REQUIREMENTS FOR PARTICIPATION.—To
24 be eligible for assistance under this section, an eligi-
25 ble trade organization shall—

1 (A) prepare and submit a plan to increase
2 the consumption of fruits and vegetables in the
3 United States to the Administrator of the Agri-
4 cultural Marketing Service that meets any
5 guidelines governing such plans established by
6 the Administrator; and

7 (B) meet any other requirements estab-
8 lished by the Administrator.

9 (3) ELIGIBLE TRADE ORGANIZATIONS.—An eli-
10 gible trade organization referred to in paragraph (1)
11 means any of the following:

12 (A) A nonprofit fruit and vegetable trade
13 organizations in the United States.

14 (B) A nonprofit State or regional fruit and
15 vegetable organization.

16 (C) A fruit and vegetable agricultural co-
17 operative in the United States.

18 (D) A commodity board or commission in
19 the United States.

20 (E) A small business engaged in the fruit
21 and vegetable industry in the United States.

22 (4) MATCHING FUNDS.—Assistance provided
23 under this section shall not exceed—

24 (A) in the case of an organization de-
25 scribed in subparagraphs (A) through (D) of

paragraph (3), 90 percent of the cost of the plan to increase the consumption of fruits and vegetables in the United States submitted under paragraph (2)(A); and

(B) in the case of an organization described in paragraph (3)(E), 50 percent of the cost of the plan to increase the consumption of fruits and vegetables in the United States submitted under paragraph (2)(A).

(5) FUNDING.—Of the funds of the Commodity Credit Corporation, the Administrator of the Agricultural Marketing Service shall use \$10,000,000 in each of fiscal years 2008 through 2012 to carry out this section.

Subtitle C—McGovern-Dole

SEC. 231. REAUTHORIZATION OF MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) ADMINISTRATION OF PROGRAM.—Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking “The President shall designate 1 or more Federal agencies to” and inserting “The Secretary shall”;

1 (2) in subsection (f)(2), in the matter preceding
2 subparagraph (A), by striking “implementing agen-
3 cy” and inserting “Secretary”; and

4 (3) in subsections (c)(2)(B), (f)(1), (h)(1) and
5 (2), and (i), by striking “President” each place it
6 appears and inserting “Secretary”.

7 (b) FUNDING.—Section 3107(l) of the Farm Security
8 and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l))
9 is amended—

10 (1) by striking paragraphs (1) and (2) and in-
11 serting the following:

12 “(1) USE OF COMMODITY CREDIT CORPORATION
13 FUNDS.—Of the funds of the Commodity Credit
14 Corporation, the Secretary shall use to carry out this
15 section—

16 “(A) not less than \$50,000,000 for fiscal
17 year 2008;

18 “(B) not less than \$50,000,000 for fiscal
19 year 2009;

20 “(C) not less than \$100,000,000 for fiscal
21 year 2010;

22 “(D) not less than \$150,000,000 for fiscal
23 year 2011; and

24 “(E) not less than \$150,000,000 for fiscal
25 year 2012.”;

1 (2) by redesignating paragraph (3) as para-
2 graph (2); and

3 (3) in paragraph (2) (as redesignated by para-
4 graph (2)), by striking “any Federal agency imple-
5 menting or assisting” and inserting “the Depart-
6 ment of Agriculture or any other Federal agency as-
7 sisting”.

8 **Subtitle D—Renewable Energy**

9 **SEC. 241. ENERGY.**

10 (a) EXTENSION OF BIOREFEINERY GRANTS AND
11 LOANS.—

12 (1) ASSISTANCE METHODS.—Subsection (c) of
13 section 9003 of the Farm Security and Rural Invest-
14 ment Act of 2002 (7 U.S.C. 8103) to read as fol-
15 lows:

16 “(c) ASSISTANCE.—The Secretary shall award grants
17 and make loans and loan guarantees to eligible entities
18 to assist in covering the cost of development and construc-
19 tion of biorefineries or for the construction or deployment
20 of methane digesters used to capture the methane gas
21 from livestock manure for use as a fuel source for biofuel
22 production to carry out projects to demonstrate the com-
23 mercial viability of one or more processes for converting
24 biomass to fuels or chemicals.”.

1 (2) ENVIRONMENTAL GOALS.—Subsection
2 (e)(2)(A) of such section is amended—

3 (A) by striking “and” at the end of clause
4 (i);

5 (B) by redesignating clause (ii) as clause
6 (iii); and

7 (C) by inserting after clause (i) the fol-
8 lowing new clause:

9 “(ii) shall select projects based on the
10 extent to which the projects meet environ-
11 mental goals for feed stocks and refineries,
12 including goals related to reductions in
13 greenhouse gas emissions and improvement
14 in water quality and wildlife habitat, devel-
15 oped by the Secretary in consultation with
16 the Secretary of the Interior, the Secretary
17 of Energy, and the National Academy of
18 Sciences; and”.

19 (3) FUNDING.—Subsection (i) of such section,
20 as amended by subsection (d)(1), is amended to read
21 as follows:

22 “(i) FUNDING.—Of the funds of the Commodity
23 Credit Corporation, the Secretary shall make available
24 \$50,000,000 for each of fiscal years 2008 and 2009 and

1 \$75,000,000 for each of the fiscal years 2010 through
 2 2012 to carry out this section.”.

3 (4) CONFORMING AMENDMENTS.—Such section
 4 is further amended—

5 (A) in the heading, by striking “**GRANTS**”
 6 and inserting “**ASSISTANCE**”;

7 (B) in subsection (c)—

8 (i) in the heading, by striking
 9 “GRANTS” and inserting “GRANTS,
 10 LOANS, AND LOAN GUARANTEES”; and

11 (ii) by striking “grants” and inserting
 12 “grants and make loans and loan guaran-
 13 tees”; and

14 (C) in subsection (e)—

15 (i) in paragraph (1), by striking
 16 “grants” and inserting “grants and make
 17 loans and loan guarantees”; and

18 (ii) in paragraph (2)(A), by striking
 19 “grants” and inserting “grants, loans, and
 20 loan guarantees”.

21 (b) EXTENSION OF RENEWABLE ENERGY SYSTEMS
 22 AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM.—

23 (1) PRIORITIES.—Section 9006 of the Farm
 24 Security and Rural Investment Act of 2002 (7
 25 U.S.C. 8106) is amended—

1 (A) by redesignating subsections (c), (d),
 2 (e), and (f) as subsections (d), (e), (f), and (g),
 3 respectively; and

4 (B) by inserting after subsection (b) the
 5 following new subsection:

6 “(c) PRIORITY.—The Secretary shall prioritize for
 7 the awarding of a grant, loan, or loan guarantee under
 8 this section projects that—

9 “(1) will produce environmental benefits, in-
 10 cluding reductions in greenhouse gas emissions,
 11 other improvements in air quality, and improve-
 12 ments in water quality; and

13 “(2) foster community or cooperative ap-
 14 proaches to renewable energy development.”.

15 (2) FUNDING.—Subsection (g) of such section,
 16 as redesignated by paragraph (1)(A), is amended to
 17 read as follows:

18 “(g) FUNDING.—

19 “(1) IN GENERAL.—Of the funds of the Com-
 20 modity Credit Corporation, the Secretary shall make
 21 available to carry out this section—

22 “(A) \$75,000,000 for fiscal year 2008;

23 “(B) \$75,000,000 for fiscal year 2009;

24 “(C) \$75,000,000 for fiscal year 2010;

1 “(D) \$75,000,000 for fiscal year 2011;

2 and

3 “(E) \$100,000,000 for fiscal year 2012.

4 “(2) AVAILABILITY.—Funds made available
5 under paragraph (1) shall remain available until ex-
6 pended.”.

7 (c) REAUTHORIZATION OF AND INCREASED FUNDING
8 FOR BIOMASS RESEARCH AND DEVELOPMENT.—Section
9 310 of the Biomass Research and Development Act of
10 2000 (7 U.S.C. 7624 note; Public Law 106–224) is
11 amended to read as follows:

12 **“SEC. 310. FUNDING.**

13 “(a) FUNDING.—Of funds of the Commodity Credit
14 Corporation, the Secretary shall make available to carry
15 out this title \$75,000,000 for each of fiscal years 2008
16 through 2012.

17 “(b) AUTHORIZATION OF APPROPRIATIONS.—In ad-
18 dition to amounts transferred under subsection (a), there
19 are authorized to be appropriated to carry out this title
20 \$200,000,000 for each of fiscal years 2008 through 2012.

21 “(c) AVAILABILITY OF FUNDS.—Amounts made
22 available under subsection (a) or appropriated pursuant
23 to the authorization of appropriations in subsection (b)
24 shall remain available until expended.”.

1 **Subtitle E—Rural Development**

2 **SEC. 251. RURAL DEVELOPMENT.**

3 (a) TARGETING OF RURAL DEVELOPMENT FUNDING
 4 TO LOW-INCOME RURAL AREAS.—Subtitle D of the Con-
 5 solidated Farm and Rural Development Act (7 U.S.C.
 6 1981–2008r) is amended by inserting after section 364
 7 the following:

8 **“SEC. 365. CRITERIA TO BE APPLIED IN CONSIDERING AP- 9 PLICATIONS FOR RURAL DEVELOPMENT 10 PROJECTS.**

11 “The Secretary shall not approve an application
 12 which is submitted under any program authorized or
 13 modified by, or funded pursuant to, an amendment made
 14 by title VI of the Farm Security and Rural Investment
 15 Act of 2002, and which proposes to serve a rural area
 16 (as defined by the applicable law), unless—

17 “(1)(A) the median family income in the area
 18 is not more than 85 percent of the median household
 19 income in the State in which the area is located; and

20 “(B) the area is not—

21 “(i) included within the boundaries of any
 22 city, town, borough, or village, whether incor-
 23 porated or unincorporated, with a population of
 24 more than 20,000 inhabitants;

1 “(ii) included within the boundaries of an
2 urbanized area or urban cluster; or

3 “(iii) within 10 miles of the boundary of
4 any such city, village, borough, town, urbanized
5 area, or urban cluster;

6 “(2) the area—

7 “(A) is in a county designated as Non-
8 metro by the Economic Research Service of the
9 Department of Agriculture; and

10 “(B) has experienced net population out-
11 migration over the last 5 years; or

12 “(3) the area is in a county designated a Non-
13 metro Persistent Poverty County by the Economic
14 Research Service of the Department of Agri-
15 culture.”.

16 (b) VALUE-ADDED PRODUCER GRANT PROGRAM.—
17 Section 231(b) of the Agricultural Risk Protection Act of
18 2000 (7 U.S.C. 1621 note; Public Law 106–224) is
19 amended—

20 (1) in paragraph (4)—

21 (A) by striking “2002” and inserting
22 “2008”; and

23 (B) by striking “2006” and inserting
24 “2012”; and

25 (2) by adding at the end the following:

1 “(5) PRIORITY.—In awarding grants under this
2 section, the Secretary shall give priority to proposals
3 that are most likely to increase the profitability and
4 viability of small- and medium-sized farms and
5 ranches.

6 “(6) SET-ASIDE FOR BEGINNING FARMERS AND
7 RANCHERS.—Not less than 10 percent and not more
8 than 15 percent of the amounts made available for
9 grants under this section for a fiscal year shall be
10 available for grants to qualified beginning farmers or
11 ranchers (as defined in section 343(a)(11) of the
12 Consolidated Farm and Rural Development Act).

13 “(7) SET-ASIDE FOR SOCIALLY DISADVANTAGED
14 FARMER AND RANCHERS.—Not less than 10 percent
15 and not more than 15 percent of the amounts made
16 available for grants under this section for a fiscal
17 year shall be available for grants to socially dis-
18 advantaged farmers or ranchers (as defined in sec-
19 tion 355(e) of the Consolidated Farm and Rural De-
20 velopment Act).”.

21 (c) RURAL BROADBAND ACCESS.—Section 601(j) of
22 the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j))
23 is amended by striking “—” and all that follows and in-
24 serting “\$10,000,000 for each of fiscal years 2008
25 through 2012, to remain available until expended.”.

1 (d) RURAL BUSINESS OPPORTUNITY GRANTS.—Sec-
 2 tion 306(a)(11)(D) of the Consolidated Farm and Rural
 3 Development Act (7 U.S.C. 1926(a)(11)(D)) is amended
 4 by striking “2007” and inserting “2012”.

5 (e) FARMWORKER TRAINING GRANT PROGRAM.—
 6 Section 379C(c) of the Consolidated Farm and Rural De-
 7 velopment Act (7 U.S.C. 2008q(c)) is amended by striking
 8 “2007” and inserting “2012”.

9 **SEC. 252. RURAL ENTREPRENEUR AND MICROENTERPRISE**
 10 **ASSISTANCE PROGRAM.**

11 Subtitle D of the Consolidated Farm and Rural De-
 12 velopment Act (7 U.S.C. 1981–2008r), as amended by
 13 section 251(a) of this Act, is amended by inserting after
 14 section 365 the following::

15 **“SEC. 366. RURAL ENTREPRENEUR AND MICROENTER-**
 16 **PRISE ASSISTANCE PROGRAM.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) ECONOMICALLY DISADVANTAGED MICRO-
 19 ENTREPRENEUR.—The term ‘economically disadvan-
 20 tagged microentrepreneur’ means an owner, majority
 21 owner, or developer of a microenterprise that has the
 22 ability to compete in the private sector but has been
 23 impaired because of diminished capital and credit
 24 opportunities, as compared to other microentre-
 25 preneurs in the industry.

1 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
2 has the meaning given the term in section 4 of the
3 Indian Self-Determination and Education Assistance
4 Act (25 U.S.C. 450b).

5 “(3) INTERMEDIARY.—The term ‘intermediary’
6 means a private, nonprofit entity that provides as-
7 sistance—

8 “(A) to a microenterprise development or-
9 ganization; or

10 “(B) for a microenterprise development
11 program.

12 “(4) LOW-INCOME INDIVIDUAL.—The term low-
13 income individual means an individual with an in-
14 come (adjusted for family size) of not more than the
15 greatest of—

16 “(A) 80 percent of median income of an
17 area;

18 “(B) 80 percent of the statewide non-met-
19 ropolitan area median income; or

20 “(C) 80 percent of the national median in-
21 come.

22 “(5) MICROCREDIT.—The term ‘microcredit’
23 means a business loan or loan guarantee of not more
24 than \$50,000 that is provided to a rural entre-
25 preneur.

1 “(6) MICROENTERPRISE.—The term ‘micro-
2 enterprise’ means—

3 “(A) a sole proprietorship; or

4 “(B) a business entity with not more than
5 10 full-time-equivalent employees.

6 “(7) MICROENTERPRISE DEVELOPMENT ORGA-
7 NIZATION.—

8 “(A) IN GENERAL.—The term ‘microenter-
9 prise development organization’ means a pri-
10 vate, nonprofit entity that—

11 “(i) provides training and technical
12 assistance to rural entrepreneurs; and

13 “(ii) facilitates access to capital or an-
14 other service described in subsection (b)
15 for rural entrepreneurs.

16 “(B) INCLUSIONS.—The term ‘microenter-
17 prise development organization’ includes an or-
18 ganization described in subparagraph (A) with
19 a demonstrated record of delivering services to
20 economically disadvantaged microentrepreneurs,
21 or an effective plan to develop a program to de-
22 liver microenterprise services to rural entre-
23 preneurs effectively, as determined by the Sec-
24 retary.

1 “(8) MICROENTERPRISE DEVELOPMENT PRO-
2 GRAM.—The term ‘microenterprise development or-
3 ganization’ means a program administered by an or-
4 ganization serving a rural area.

5 “(9) MICROENTREPRENEUR.—The term ‘micro-
6 entrepreneur’ means the owner, operator, or devel-
7 oper of a microenterprise.

8 “(10) PROGRAM.—The term ‘program’ means
9 the rural entrepreneur and microenterprise program
10 established under subsection (b)(1).

11 “(11) QUALIFIED ORGANIZATION.—The term
12 ‘qualified organization’ means—

13 “(A) a microenterprise development orga-
14 nization or microenterprise development pro-
15 gram that has a demonstrated record of deliv-
16 ering microenterprise services to rural entre-
17 preneurs, or an effective plan to develop a pro-
18 gram to deliver microenterprise services to rural
19 entrepreneurs effectively, as determined by the
20 Secretary.

21 “(B) an intermediary that has a dem-
22 onstrated record of delivery assistance to micro-
23 enterprise development organizations or micro-
24 enterprise development programs;

1 “(C) a microenterprise development orga-
2 nization or microenterprise development pro-
3 gram that serves rural entrepreneurs;

4 “(D) an Indian tribe, the tribal govern-
5 ment of which certifies to the Secretary that no
6 microenterprise development organization or
7 microenterprise development program exists
8 under the jurisdiction of the Indian tribe;

9 “(E) a group of 2 or more organizations or
10 Indian tribes described in any of subparagraphs
11 (A) through (D) that agree to act jointly as a
12 qualified organization under this section; or

13 “(F) for purposes of subsection (b), a pub-
14 lic college or university.

15 “(12) RURAL AREA.—The term ‘rural area’
16 means any community that is rural in character and
17 has a population of not more than 25,000 individ-
18 uals.

19 “(13) RURAL CAPACITY BUILDING SERVICE.—
20 The term ‘rural capacity building service’ means a
21 service provided to an organization that—

22 “(A) is, or is in the process of becoming,
23 a microenterprise development organization or
24 microenterprise development program; and

1 “(B) serves rural areas for the purpose of
2 enhancing the ability of the organization to pro-
3 vide training, technical assistance, and other re-
4 lated services to rural entrepreneurs.

5 “(14) RURAL ENTREPRENEUR.—The term
6 ‘rural entrepreneur’ means a microentrepreneur, or
7 prospective microentrepreneur—

8 “(A) the principal place of business of
9 which is in a rural area; and

10 “(B) that is unable to obtain sufficient
11 training, technical assistance, or microcredit
12 elsewhere, as determined by the Secretary.

13 “(15) SECRETARY.—The term ‘Secretary’
14 means the Secretary of Agriculture, acting through
15 the Rural Business-Cooperative Service.

16 “(16) TRIBAL GOVERNMENT.—The term ‘tribal
17 government’ means the governing body of an Indian
18 tribe.

19 “(b) RURAL ENTREPRENEURSHIP AND MICRO-
20 ENTERPRISE PROGRAM.—

21 “(1) ESTABLISHMENT.—The Secretary shall es-
22 tablish a rural entrepreneurship and microenterprise
23 program.

1 “(2) PURPOSE.—The purpose of the program
2 shall be to provide low-income individuals and mod-
3 erate-income individuals with—

4 “(A) the skills necessary to establish new
5 small businesses in rural areas; and

6 “(B) continuing technical and financial as-
7 sistance as individuals and business starting or
8 operating small businesses.

9 “(3) GRANTS.—

10 “(A) IN GENERAL.—The Secretary may
11 make a grant under the program to a qualified
12 organization—

13 “(i) to provide training, operational
14 support, or a rural capacity building serv-
15 ice to a qualified organization to assist the
16 qualified organization in developing micro-
17 enterprise training, technical assistance,
18 market development assistance, and other
19 related services, primarily for business with
20 5 or fewer full-time-equivalent employees;

21 “(ii) to assist in researching and de-
22 veloping the best practices in delivering
23 training, technical assistance, and micro-
24 credit to rural entrepreneurs; and

1 “(iii) to carry out such other projects
2 and activities as the Secretary determines
3 to be consistent with the purposes of this
4 section.

5 “(B) SUBGRANTS.—Subject to such regu-
6 lations as the Secretary may promulgate, a
7 qualified organization that receives a grant
8 under this paragraph may use the grant to pro-
9 vide assistance to other qualified organizations,
10 such as small or emerging qualified organiza-
11 tions.

12 “(C) DIVERSITY.—In making grants under
13 this paragraph, the Secretary shall ensure, to
14 the maximum extent practicable, that grant re-
15 cipients include qualified organizations—

16 “(i) of varying sizes; and

17 “(ii) that serve racially- and eth-
18 nically-diverse populations.

19 “(D) COST SHARING.—

20 “(i) FEDERAL SHARE.—The Federal
21 share of the cost of a project carried out
22 using funds from a grant made under this
23 paragraph shall be 75 percent.

24 “(ii) FORM OF NON-FEDERAL
25 SHARE.—The non-Federal share of the

1 cost of a project described in clause (i)
2 may be provided—

3 “(I) in cash (including through
4 fees, grants (including community de-
5 velopment block grants), and gifts); or

6 “(II) in kind.

7 “(4) RURAL MICROLOAN PROGRAM.—

8 “(A) ESTABLISHMENT.—In carrying out
9 the program, the Secretary may carry out a
10 rural microloan program.

11 “(B) PURPOSE.—The purpose of the rural
12 microloan program shall be to provide technical
13 and financial assistance to sole proprietorships
14 and small businesses located in rural areas with
15 a particular focus on those businesses with 5 or
16 fewer full-time equivalent employees.

17 “(C) AUTHORITY OF SECRETARY.—In car-
18 rying out the rural microloan program, the Sec-
19 retary may—

20 “(i) make direct loans to qualified or-
21 ganizations for the purpose of making
22 short-term, fixed interest rate microloans
23 to startup, newly established, and growing
24 rural microbusiness concerns; and

1 “(ii) in conjunction with those loans,
2 provide grants in accordance with subpara-
3 graph (E) to those qualified organizations
4 for the purpose of providing intensive mar-
5 keting, management, and technical assist-
6 ance to small business concerns that are
7 borrowers under this paragraph.

8 “(D) LOAN DURATION; INTEREST RATES;
9 CONDITIONS.—

10 “(i) LOAN DURATION.—A loan made
11 by the Secretary under this paragraph
12 shall be for a term of 20 years.

13 “(ii) APPLICABLE INTEREST RATES.—
14 A loan made by the Secretary under this
15 paragraph to a qualified organization shall
16 bear an annual interest rate of at least 1
17 percent.

18 “(iii) DEFERRAL OF INTEREST AND
19 PRINCIPAL.—The Secretary may permit
20 the deferral of payments, for principal and
21 interest, on a loan made under this para-
22 graph for a period of not more than 2
23 years, beginning on the date on which the
24 loan was made.

25 “(E) GRANT AMOUNTS.—

1 “(i) IN GENERAL.—Except as other-
2 wise provided in this section, each qualified
3 organization that receives a loan under this
4 paragraph shall be eligible to receive a
5 grant to provide marketing, management,
6 and technical assistance to small business
7 concerns that are borrowers or potential
8 borrowers under this subsection.

9 “(ii) MAXIMUM AMOUNT OF GRANT
10 FOR MICROENTERPRISE DEVELOPMENT
11 ORGANIZATIONS.—Each microenterprise
12 development organization that receives a
13 loan under this paragraph shall receive an
14 annual grant in an amount equal to not
15 more than 25 percent of the total out-
16 standing balance of loans made to the
17 microenterprise development organization
18 under this paragraph, as of the date of
19 provision of the grant.

20 “(iii) MATCHING REQUIREMENT.—

21 “(I) IN GENERAL.—As a condi-
22 tion of any grant made to a qualified
23 organization under this subparagraph,
24 the Secretary shall require the quali-
25 fied organization to match not less

1 than 15 percent of the total amount
2 of the grant.

3 “(II) SOURCES.—In addition to
4 cash from non-Federal sources, a
5 matching share provided by the quali-
6 fied organization may include indirect
7 costs or in-kind contributions funded
8 under non-Federal programs.

9 “(c) ADMINISTRATIVE EXPENSES.—Not more than
10 10 percent of assistance received by a qualified organiza-
11 tion for a fiscal year under this section may be used to
12 pay administrative expenses.

13 “(d) FUNDING.—

14 “(1) IN GENERAL.—Not later than 30 days
15 after the date of enactment of this Act, and on Octo-
16 ber 1, 2008, and each October 1 thereafter through
17 October 1, 2012, out of any funds in the Treasury
18 not otherwise appropriated, the Secretary of the
19 Treasury shall transfer to the Secretary to carry out
20 this section \$50,000,000, to remain available until
21 expended.

22 “(2) ALLOCATION OF FUNDS.—Of the amount
23 made available by paragraph (1) for each fiscal
24 year—

1 “(A) not less than \$30,000,000 shall be
2 available for use in carrying out subsection
3 (b)(3); and

4 “(B) not less than \$20,000,000 shall be
5 available for use in carrying out subsection
6 (b)(4), of which not more than \$7,000,000 shall
7 be used to support direct loans.

8 “(C) RECEIPT AND ACCEPTANCE.—The
9 Secretary shall be entitled to receive, shall ac-
10 cept, and shall use to carry out this section the
11 funds transferred under paragraph (1), without
12 further appropriation.”.

13 **SEC. 253. ENHANCING RURAL INFRASTRUCTURE.**

14 (a) USE OF FUNDS.—The Secretary of Agriculture
15 shall use funds made available under subsection (d) to pro-
16 vide funds for applications that are pending on the date
17 of enactment of this Act for—

18 (1) water or waste disposal grants or direct
19 loans under paragraph (1) or (2) of section 306(a)
20 of the Consolidated Farm and Rural Development
21 Act (7 U.S.C. 1926(a));

22 (2) emergency community water assistance
23 grants under section 306A of that Act (7 U.S.C.
24 1926a);

1 (3) community facilities grants and direct loans
2 under paragraphs (1), (19), (20), (21) of section
3 306(a) of that Act (7 U.S.C. 1926(a)) that support
4 projects that assist rural first responders, as defined
5 by the Secretary of Agriculture;

6 (4) broadband access loans under title VI of the
7 Rural Electrification Act (7 U.S.C. 950bb et seq.);
8 and

9 (5) distance learning and telemedicine grants
10 under chapter 1 of subtitle D of title XXII of the
11 Food, Agriculture, Conservation, and Trade Act of
12 1990 (7 U.S.C. 950aaa et seq.).

13 (b) LIMITATIONS.—

14 (1) APPROPRIATED AMOUNTS.—Funds made
15 available under this section shall be available to the
16 Secretary of Agriculture to provide funds for appli-
17 cations for loans and grants described in subsection
18 (a) that are pending on the date of enactment of
19 this Act only to the extent that funds for the loans
20 and grants appropriated in the annual appropria-
21 tions Act for fiscal years 2008 and 2009, as appro-
22 priate, have been exhausted.

23 (2) PROGRAM REQUIREMENTS.—The Secretary
24 of Agriculture may use funds made available under
25 this section to provide funds for a pending applica-

1 tion for a loan or grant described in subsection (a)
 2 only if the Secretary of Agriculture processes, re-
 3 views, and approves the application in accordance
 4 with regulations in effect on the date of enactment
 5 of this Act.

6 (c) EXCLUSION OF CERTAIN PENDING APPLICA-
 7 TIONS.—In this section, the term “application” does not
 8 include an application for a loan or grant that, as of the
 9 date of enactment of this Act, is in the preapplication
 10 phase of consideration under regulations of the Secretary
 11 of Agriculture in effect on the date of enactment of this
 12 Act.

13 (d) FUNDING.—Of the funds of the Commodity Cred-
 14 it Corporation, the Secretary of Agriculture shall make
 15 available to carry out this section \$50,000,000 in fiscal
 16 year 2008, \$75,000,000 in fiscal year 2009, \$100,000,000
 17 in fiscal years 2010 and 2011, and \$75,000,000 in fiscal
 18 year 2012.

19 **Subtitle F—Nutrition**

20 **SEC. 261. EXCLUSION OF COMBAT-RELATED MILITARY PAY** 21 **FROM COUNTABLE INCOME.**

22 Section 5(d) of the food stamp act of 2007 (7 U.S.C.
 23 2014(d)) is amended—

24 (1) by striking “and (18)” and inserting
 25 “(18)”; and

1 (2) by inserting before the period at the end the
2 following:

3 “, and (19) any additional payment received under chapter
4 5 of title 37, United States Code, by a member of the
5 United States Armed Forces deployed to a designated
6 combat zone for the duration of the members deployment
7 if the additional pay is the result of deployment to or while
8 serving in a combat zone, and it was not received imme-
9 diately prior to serving in the combat zone”.

10 **SEC. 262. STRENGTHENING THE FOOD PURCHASING**
11 **POWER OF LOW-INCOME AMERICANS.**

12 Section 5(e)(1) of the Food Stamp Act of 1977 (7
13 U.S.C. 2014(e)(1)) is amended—

14 (1) in subparagraph (A)(ii) by striking “not
15 less than \$134” and all that follows to the end of
16 the clause and inserting the following:

17 “not less than \$149, \$255, \$210, and
18 \$131, respectively. For October 1, 2008
19 and each fiscal year thereafter, such
20 amounts shall be adjusted to the nearest
21 lower dollar increment to reflect changes in
22 the Consumer Price Index for all urban
23 consumers published by the Bureau of
24 Labor Statistics, for items other than food,

1 for the twelve months ending the preceding
2 June 30.”; and

3 (2) in subparagraph (B)(ii) by striking “not
4 less than \$269.” and inserting the following:

5 “not less than \$299. For October 1, 2008
6 and each fiscal year thereafter, such
7 amount shall be adjusted to the nearest
8 lower dollar increment to reflect changes in
9 the Consumer Price Index for all urban
10 consumers published by the Bureau of
11 Labor Statistics, for items other than food,
12 for the twelve months ending the preceding
13 June 30.”.

14 **SEC. 263. SUPPORTING WORKING FAMILIES WITH CHILD**
15 **CARE EXPENSES.**

16 Section 5(e)(3)(A) of the Food Stamp Act of 1977
17 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the
18 maximum allowable level of which shall be \$200 per month
19 for each dependent child under 2 years of age and \$175
20 per month for each other dependent,”.

21 **SEC. 264. INCREASING THE MINIMUM BENEFIT.**

22 Section 8(a) of the Food Stamp Act of 1977 (7
23 U.S.C. 2017(a)) is amended by striking “\$10 per month.”
24 and inserting—

1 “(1) for fiscal year 2008 through 2011, 10 per-
 2 cent of the thrifty food plan for a household con-
 3 taining one member, as determined by the Secretary
 4 under section 3(o);

5 “(2) for fiscal year 2012 and each fiscal year
 6 thereafter, 15 percent of the thrifty food plan for a
 7 household containing one member, as determined by
 8 the Secretary under section 3(o).”.

9 **SEC. 265. EXCLUSION OF RETIREMENT ACCOUNTS FROM**
 10 **COUNTABLE FINANCIAL RESOURCES.**

11 (a) ACCOUNTS.—Section 5(g)(2)(B)(v) of the Food
 12 Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)(v)) is amend-
 13 ed by striking “or retirement account (including an indi-
 14 vidual account)” and inserting “account”.

15 (b) MANDATORY AND DISCRETIONARY EXCLU-
 16 SIONS.—Section 5(g) of the Food Stamp Act of 1977 (7
 17 U.S.C. 2014(g)) is amended by adding at the end the fol-
 18 lowing:

19 “(7) EXCLUSION OF RETIREMENT ACCOUNTS
 20 FROM COUNTABLE FINANCIAL RESOURCES.—

21 “(A) MANDATORY EXCLUSIONS.—The Sec-
 22 retary shall exclude from financial resources
 23 under this subsection the value of any funds in
 24 a plan, contract, or account, described in sec-
 25 tions 401(a), 403(a), 403(b), 408, 408A,

457(b), and 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided in section 8439 of title 5, United States Code.

“(B) DISCRETIONARY EXCLUSIONS.—The Secretary may exclude from financial resources under this subsection the value of any other retirement plans, contracts, or accounts (as determined by the Secretary through regulation).”.

SEC. 266. FACILITATING SIMPLIFIED REPORTING.

Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended—

(1) in paragraph (1)(A)—

(A) by striking “reporting by” and inserting “reporting”;

(B) in clause (i) by inserting “for periods shorter than 4 months by” before “migrant”;

(C) in clause (ii), by inserting “for periods shorter than 4 months by” before “households”; and

(D) in clause (iii), by inserting “by” before “households”; and

(2) in paragraph (3), by—

(A) in the third sentence—

(i) by striking “Reports required to be filed monthly under paragraph (1)” and inserting “Except as provided in paragraph (1)(D)(ii), periodic reports filed under paragraph (1)”; and

(ii) by striking “subject matter included in such reports” and inserting “the households required to make the reports”; and

(B) by inserting after the third sentence the following: “The State agency shall not be required to act on information about a household described in the preceding sentence received from any source between the periodic reports unless the information clearly indicated that the household is not eligible, subject to standards established by the Secretary, or the household requested an increase in benefits.”.

**SEC. 267. REAUTHORIZATION OF FOOD STAMP PROGRAM
AND FOOD DISTRIBUTION PROGRAM ON IN-
DIAN RESERVATIONS, AND THE COMMODITY
SUPPLEMENTAL FOOD PROGRAM.**

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

1 (1) in the first sentence of subparagraph (A),
2 by striking “2007” and inserting “2012”; and

3 (2) in subparagraph (B)(ii) by striking “2007”
4 and inserting “2012”.

5 (b) CASH PAYMENT PILOT PROJECTS.—Section
6 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.
7 2026(b)(1)(B(vi))) is amended by striking “2007” and in-
8 serting “2012”.

9 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
10 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.
11 2027(a)(1)) is amended in the first sentence by striking
12 “2003 through 2007” and inserting “2008 through
13 2012”.

14 (d) CONSOLIDATED BLOCK GRANTS FOR PUERTO
15 RICO AND AMERICAN SAMOA.—Section 19(a)(2) of the
16 Food Stamp Act of 1977 (7 U.S.C. 2028(a)(2)) is amend-
17 ed in subparagraph (A)(ii) by striking “2007” and insert-
18 ing “2012”.

19 (e) COMMODITY DISTRIBUTION PROGRAM.—Section
20 4(a) of the Agriculture and Consumer Protection Act of
21 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended
22 in the first sentence by striking “2007” and inserting
23 “2012”.

1 **SEC. 268. OUTREACH GRANTS.**

2 Section 11(t) of the Food Stamp Act of 2007 (7
3 U.S.C. 2020(t)) is amended—

4 (1) in paragraph (1) by striking “For each of
5 fiscal years” and all that follows through
6 \$5,000,000, and inserting “For each of fiscal years
7 2008 through 2012, the Secretary shall use not
8 more than amounts specified in paragraph (2) out”;

9 (2) by redesignating paragraphs (2), (3), (4),
10 and (5) as paragraphs (3), (4), (5), and (6) respec-
11 tively; and

12 (3) by inserting after paragraph (1) the fol-
13 lowing::

14 “(2) AMOUNTS.—The amounts to be expended
15 under paragraph (1) shall be—

16 “(A) for fiscal year 2008, 15,000,000; and

17 “(B) for fiscal year 2009 and each fiscal
18 year thereafter, the amount specified in sub-
19 paragraph (A), as adjusted to reflect changes in
20 the Consumer Price Index for all urban con-
21 sumers published by the Bureau of Labor Sta-
22 tistics for the twelve months ending the pre-
23 ceding June 30.”.

1 **SEC. 269. FUNDS TO STATES FOR IMPROVING AND INNO-**
 2 **VATING PROGRAM ACCESS AND INTEGRITY.**

3 Section 16 of the Food Stamp Act of 2007 (7 U.S.C.
 4 2025), as amended by [section 304,] is amended by add-
 5 ing at the end the following:

6 “(m) FUNDS TO STATES FOR IMPROVING AND INNO-
 7 VATING PROGRAM ACCESS AND INTEGRITY.—

8 “(1) IN GENERAL.—Subject to paragraphs (2)
 9 and (3), the Secretary shall provide that with re-
 10 spect to administrative expenditures described in
 11 paragraph (2) the percent specified in (a) shall be
 12 increased to such percentage as the Secretary speci-
 13 fies.

14 “(2) ADMINISTRATIVE EXPENDITURES DE-
 15 SCRIBED.—The administrative expenditures de-
 16 scribed in this paragraph are expenditures described
 17 in (a) that a State demonstrates to the satisfaction
 18 of the Secretary are attributable to a program inno-
 19 vation that—

20 “(A) improves access to the food stamp
 21 program;

22 “(B) improves the efficiency and effective-
 23 ness of program operations; or

24 “(C) improves program integrity.

25 “(3) LIMITATIONS.—The total amount of addi-
 26 tional Federal funds that are made available under

1 this subsection shall not exceed \$10,000,000 in each
 2 of the fiscal years 2008 through 2012. In applying
 3 this paragraph, the Secretary shall use discretion in
 4 determining the State innovations that have the
 5 greatest likelihood of meeting the goals described in
 6 paragraph (2). The Secretary shall only make funds
 7 available under paragraph (2) that will result in new
 8 activities or operations.”.

9 **SEC. 270. SUPPORTING STATE EFFORTS DURING NATURAL**
 10 **DISASTERS.**

11 Section 5(h) of the Food Stamp Act of 1977 (7
 12 U.S.C. 2014(h)) is amended by adding at the end the fol-
 13 lowing:

14 “(4) In lieu of the payments section 16(a) would oth-
 15 erwise require, the Secretary shall pay each State agency
 16 an amount equal to 90 percent of administrative costs al-
 17 lowable under section 16(a) for costs related to planning
 18 and operating disaster food stamp programs under this
 19 subsection.”.

20 **SEC. 271. COMMUNITY FOOD GRANTS.**

21 Section 25(b) of the Food Stamp Act of 1977 (7
 22 U.S.C. 2034(b)) is amended—

23 (1) in paragraph (1) by striking “From
 24 amounts made available to carry out this Act, the

1 Secretary may” and inserting “The Secretary shall”;
 2 and

3 (2) by striking paragraph (2) and inserting the
 4 following:

5 “(2) FUNDING AMOUNTS.—From amounts
 6 made available to carry out this Act, the Secretary
 7 shall use \$25,000,000 for fiscal year 2008, and \$30
 8 million for each of the fiscal years 2009 through
 9 2012, to make grants under this section.”.

10 **SEC. 272. EXPANDING THE USE OF FOOD STAMPS AT FARM-**
 11 **ERS’ MARKETS.**

12 Section 25 of the Food Stamp Act of 1977 (7 U.S.C.
 13 2034) is amended by adding at the end:

14 “(i) GRANTS TO EXPAND THE NUMBER OF FARM-
 15 ERS’ MARKETS THAT ACCEPT FOOD STAMP BENEFITS.—

16 “(1) IN GENERAL.—For fiscal year 2008, the
 17 Secretary shall use not more than \$5 million of
 18 funds made available under section 18(a)(1) to make
 19 grants to pay 100 percent of the costs of eligible en-
 20 tities approved by the Secretary to carry out projects
 21 to expand the number of farmer’ markets that ac-
 22 cept food stamp benefits by—

23 “(A) providing equipment and training
 24 necessary for markets to accept food stamp
 25 benefits;

1 “(B) educating and providing technical as-
2 sistance to farmers and farmers’ market opera-
3 tors about the process and benefits of accepting
4 food stamp benefits; or

5 “(C) other activities deemed appropriate
6 by the Secretary.

7 “(2) LIMITATION.—A grant made under this
8 subsection shall not be made for the cost of the on-
9 going cost of carrying out any project.

10 “(3) ELIGIBLE ENTITIES.—To be eligible to re-
11 ceive a grant under this subsection, an entity shall
12 be—

13 “(A) a State agency administering the food
14 stamp program;

15 “(B) a State or local government; or

16 “(C) a private nonprofit entity that coordi-
17 nates farmers’ markets in or within a State and
18 that operates in cooperation with State or local
19 government.

20 “(4) SELECTION OF ELIGIBLE ENTITIES.—The
21 Secretary—

22 “(A) shall develop criteria for the selection
23 of eligible entities to receive grants under this
24 subsection; and

1 “(B) may give preference to any eligible
2 entity that consists of a partnership between a
3 government entity and a nongovernmental enti-
4 ty.”.

5 **SEC. 273. COMMODITIES FOR THE EMERGENCY FOOD AS-**
6 **SISTANCE PROGRAM.**

7 Section 27(a) of the Food Stamp Act of 1977 (7
8 U.S.C. 2036(a)) is amended—

9 (1) by striking “(a) purchase of commodities”
10 and all that follows through “2007” and inserting
11 the following:

12 “(a) PURCHASE OF COMMODITIES.—

13 “(1) IN GENERAL.—As provided in paragraph
14 (2), for each of fiscal years 2008 through 2012”;

15 (2) by striking “\$140,000,000 of”; and

16 (3) by inserting at the end:

17 “(2) AMOUNTS.—The following amounts are
18 made available to carry out this subsection:

19 “(A) for fiscal year 2008, \$220,000,000;

20 “(B) for fiscal year 2009, \$230,000,000;

21 “(C) for fiscal year 2010, \$240,000,000;

22 “(D) for fiscal year 2011, \$245,000,000;

23 and

24 “(E) for fiscal year 2012 and each fiscal
25 year thereafter, the dollar amount of commod-

ities available in the immediately preceding fiscal year adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.”.

**SEC. 274. COMMUNITY FOOD ASSISTANCE AND FOOD BANK
INFRASTRUCTURE GRANTS UNDER THE
FOOD STAMP ACT.**

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

**“SEC. 28. COMMUNITY FOOD ASSISTANCE AND FOOD BANK
INFRASTRUCTURE COMPETITIVE GRANTS.**

“(a) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means an emergency feeding organization (as defined in section 201A(4) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(4)).

“(b) PROGRAM AUTHORIZED.—To carry out this section, there are authorized to be appropriated \$5,000,000 for each of fiscal years 2008 through 2012.

“(c) APPLICATION.—

“(1) IN GENERAL.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at the time and manner and

1 accompanied by any information the Secretary may
2 require.

3 “(2) CONTENTS.—Each application submitted
4 under paragraph (1) shall—

5 “(A) identify the activity described in sub-
6 section (d) that the grant will be used to fund;
7 and

8 “(B) describe the means by which an activ-
9 ity identified under subparagraph (A) will re-
10 duce hunger in the community or support the
11 efforts of food banks or other nonprofit emer-
12 gency feeding organizations as defined in sub-
13 section (a) to reduce hunger or food insecurity
14 in their communities.

15 “(3) PRIORITY.—In making grants under this
16 section, the Secretary shall give priority to eligible
17 entities the applications of which demonstrate 2 of
18 the following criteria:

19 “(A) The eligible entity serves a predomi-
20 nantly rural and geographically underserved
21 area.

22 “(B) The eligible entity serves a commu-
23 nity in which the rates of food insecurity, very
24 low food insecurity, hunger, poverty, or unem-

1 ployment are demonstrably higher than national
2 average rates.

3 “(C) The eligible entity serves a commu-
4 nity that provides demonstrable public support
5 for the efforts of the eligible entity through the
6 direct provision of private sector food assistance
7 to low-income individuals.

8 “(D) The eligible entity can show that the
9 grant will assist in the support of rural commu-
10 nities, small or mid-size farms, and the con-
11 sumption of locally produced agricultural prod-
12 ucts by low-income people in need of temporary
13 food assistance.

14 “(d) USE OF FUNDS.—An eligible entity shall use a
15 grant received under this section for fiscal year to carry
16 out activities of the eligible entity, including—

17 “(1) constructing, expanding, or repairing a fa-
18 cility or equipment to support hunger relief agencies
19 in the community;

20 “(2) assisting an emergency feeding organiza-
21 tion in the community in obtaining locally-grown or
22 raised produce, dairy or protein products; and

23 “(3) assisting an emergency feeding organiza-
24 tion in the community for the procurement, storage,

1 handling and distribution of locally produced agricul-
2 tural products.”.

3 **SEC. 275. FOOD FOR THE HUNGRY TRANSPORTATION**
4 **GRANT PROGRAM.**

5 (a) PURPOSES.—The purposes of this section are—

6 (1) to authorize the creation of the National
7 Food For the Hungry Transportation, Self-Help,
8 and Job Training Fund to facilitate the procurement
9 and transportation of highly perishable, healthy food
10 to low-income individuals in the United States;

11 (2) to establish a competitive mechanism in the
12 Department of Agriculture by which appropriations
13 made available from the Fund would be allocated;

14 (3) to ensure the direct involvement of the pri-
15 vate carrier trucking fleet of the United States in
16 carrying out this section;

17 (4) to increase the quantity of nutritious food
18 available to low-income individuals in the United
19 States by supporting the procurement and distribu-
20 tion of highly perishable food, such as fresh produce
21 and protein products, to the low-income individuals;

22 (5) to offer job training and employment oppor-
23 tunities in the food transportation and distribution
24 systems;

1 (6) to better identify potential providers of do-
2 nated foods and enhance the nonprofit food donation
3 system; and

4 (7) to provide adequate funding to carry out
5 this section.

6 (b) DEFINITIONS.—In this section:

7 (1) FUND.—The term “Fund” means the Na-
8 tional Food For the Hungry Transportation, Self-
9 Help, and Job Training Fund established under sub-
10 section (c).

11 (2) NONGOVERNMENTAL ORGANIZATION.—The
12 term “nongovernmental organization” means a na-
13 tional nonprofit charitable organization that—

14 (A) is described in section 501(c)(3) of the
15 Internal Revenue Code of 1986;

16 (B) is capable of, and has at least 10 years
17 experience in, procuring donated food and other
18 services from major domestic food manufactur-
19 ers and processors, grocery wholesalers and re-
20 tailers, food warehouse operations, agricultural
21 producer organizations, fishing interests com-
22 mercial transport providers (such as trucking
23 companies), and Federal and State food assist-
24 ance agencies;

1 (C) is capable of, and has shown pro-
2 ficiency in, the national distribution of highly
3 perishable food through contracts with member
4 emergency feeding organizations (as defined in
5 section 201A of the Emergency Food Assist-
6 ance Act of 1983 (7 U.S.C. 7501));

7 (D) has at least 10 years experience in
8 procuring commercial freight for the distribu-
9 tion of time-sensitive food products through a
10 network of emergency food assistance organiza-
11 tions;

12 (E) has at least 10 years experience in
13 working with transport providers in creating,
14 coordinating, and maintaining transfer systems
15 designed to assist, at the national level, the de-
16 livery of time-sensitive food products, for dis-
17 tribution to emergency food assistance organi-
18 zations in all 50 States and the District of Co-
19 lumbia;

20 (F) does not operate any commercial, pri-
21 vate, or public subsidiary trucking or freight
22 operations for the purposes of transporting
23 food; and

24 (G) agrees—

- 1 (i) to contribute in-kind resources to
2 help carry out this section;
- 3 (ii) to provide to eligible emergency
4 food assistance organizations services and
5 information free of charge; and
- 6 (iii) to regularly certify and inspect
7 any member emergency feeding organiza-
8 tion with which the nongovernmental orga-
9 nization entered into a contract to carry
10 out an activity described in subparagraph
11 (B).

12 (3) PRIMARY NONGOVERNMENTAL ORGANIZA-
13 TION.—The term “primary nongovernmental organi-
14 zation” means a nongovernmental organization se-
15 lected by the Secretary on a competitive basis from
16 among nongovernmental organizations.

17 (4) SECRETARY.—The term “Secretary” means
18 the Secretary of Transportation.

19 (5) TIME-SENSITIVE FOOD PRODUCT.—

20 (A) IN GENERAL.—The term “time-sen-
21 sitive food product” means a fresh, raw, or
22 processed food with a short time limitation for
23 safe and acceptable consumption, as determined
24 by the Secretary.

1 (B) INCLUSIONS.—The term “time-sen-
2 sitive food product” includes fruits, vegetables,
3 dairy products, meat, fish, and poultry.

4 (c) NATIONAL FOOD FOR THE HUNGRY TRANSPOR-
5 TATION FUND.—The Secretary shall offer to enter into
6 a contract or grant agreement with a primary nongovern-
7 mental organization to establish the National Food for the
8 Hungry Transportation Fund to track, collect, and deliver
9 time-sensitive food products.

10 (d) PROGRAM REQUIREMENTS.—The Secretary shall
11 ensure that funds made available under this Act are used
12 for

13 (1) the development and maintenance of a com-
14 puterized system for the tracking of time-sensitive
15 food products;

16 (2) capital and operating costs associated with
17 the collection and transportation of time-sensitive
18 food products;

19 (3) capital and operating costs associated with
20 the storage and distribution of time-sensitive food
21 products;

22 (4) job training opportunities in trucking, food
23 handling, food recovery, and related industries;

1 (5) improving the security and diversity of the
2 food distribution and recovery systems of the United
3 States with the use of—

4 (A) family-sized farms; and

5 (B) donations from entities of food prod-
6 ucts to persons in need;

7 (6) providing recovered healthy foods to non-
8 profit emergency food providers to reduce hunger in
9 the United States; and

10 (7) improving the identification of—

11 (A) potential providers of donated foods;

12 (B) potential nonprofit emergency food
13 providers; and

14 (C) persons in need of emergency food as-
15 sistance throughout the United States.

16 (e) ADDITIONAL NONGOVERNMENTAL ORGANIZA-
17 TIONS.—

18 (1) IN GENERAL.—The primary nongovern-
19 mental organization may enter into 1 or more con-
20 tracts with, and provide funds to, not more than 2
21 additional nongovernmental organizations that the
22 Secretary determines meet the requirements in para-
23 graph (2) to carry out some of the functions re-
24 quired by this section.

1 (2) REQUIREMENTS.—An additional nongovern-
2 mental organization selected under paragraph (1)
3 shall—

4 (A) have expertise in operating for several
5 years a national information clearinghouse re-
6 lating to anti-hunger activities;

7 (B) have extensive experience in working
8 with other anti-hunger organizations through-
9 out the United States;

10 (C) have significant experience in working
11 with the Department of Agriculture; and

12 (D) operate, at a national level, a hotline
13 to provide information about—

14 (i) access to food for low-income fami-
15 lies;

16 (ii) programs in existence on the date
17 of enactment of this Act that transport
18 fresh produce to food pantries, homeless
19 shelters, and soup kitchens that could
20 serve as national models for replication in
21 other areas; and

22 (iii) ways low-income individuals and
23 families may become self-reliant.

1 (f) AUDITS.—The Secretary shall establish fair and
2 reasonable procedures to audit the expenditure of funds
3 made available to carry out this section.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated, \$5,000,000 for fiscal
6 year 2008 and for each of fiscal years 2009 through 2012,
7 the amount available in the immediately preceding fiscal
8 year adjusted to reflect changes in the Consumer Price
9 Index for All Urban Consumers published by the Bureau
10 of Labor Statistics for the twelve months ending the pre-
11 ceding June 30.

12 **Subtitle G—Deficit Reduction**

13 **SEC. 281. DEFICIT REDUCTION.**

14 Notwithstanding any other provisions of law, savings
15 resulting from provisions of this Act, when compared with
16 the Congressional Budget Office March 2008 baseline es-
17 timate, are to be applied direct towards deficit reduction
18 and are not available for offsetting additional spending un-
19 related to this Act.

○